# “A study of effectiveness of use of different software and I.T. Practices in banking sector on its customer satisfaction”

**A**

**Synopsis Proposal Submission**

**To**

**Swami Ramanand Teerth Marathwada University, Nanded.**

**A Thesis Submitted**

**By**

**Harprakash Singh Nirmale**

**Under The Guidance of**

**Prof. Dr. Mohan S. Rode**

**Research Supervisor**

**Head of Department of Commerce & Management**

**Submitted To**

**Department of Commerce & Management**

# Introduction

The banking industry is being influenced to a considerable extent, directly and indirectly by the sophistication of IT environment and the emergence of diverse smart devices. Previously the change in banking sector is largely involved the automation of bank's teller jobs.

The matter of the fact is the banks are facing with a dilemma, In line with the spread of diverse forms of banking automation solution. The bank customers can get their details hands on great variety of financial services without visiting to bank. Their visit to banks is declined. Bank would like to provide their services to their customer with their differentiated financial services & instruments while enhancing their bond with them face to face. The use of I.T in KYC has made bank customer personal visit and documentation to it minimal.

The use of IT in banking sector is very important for streamlining the banking process to meet the Global Standards and procedure around the world to meet Regulatory Requirements.

- Know Your Customers (KYC)
- Customer Due Diligence (CDD)
- Customer Identification Process (CIP)
- Financial Crime Compliance (FCC)

## Objectives

The purpose of the study is to establish the relationship between the use of automation for KYC in banking system across Investment Banking, Commercial Banking & Retail Banking towards its customer satisfaction.

Following are the main objectives of the study.

- To find out new technology, techniques and services in banking sector KYC.
- To study the challenges faced by the bank in providing I.T services to their customers.
- To find how bank can introduce new I.T services to their customers in competitive market.
- To study the expertise required in providing sophisticated I.T services to get the KYC data of the customers without reaching out to them directly.
- To study the I.T practices helps in Client On boarding, maintaining & Review the customer information.

## Hypothesis

With reference to the above mentioned objectives following hypothesis are formulated with some suggestions for implementation.

- Globalization and liberalization has opened the gates of competitive culture, open market, a micro level of customer services, improved with modern I.T services in banking sector.

- The use of I.T is the most important for betterment of banks performance and efficiency.

- Proper training programs for the use of I.T should be provided to the staff to improve performance efficiency; skills and understanding towards technology for strengthen the customer services in development of the bank.

- Introduce and upgrade of sophisticated I.T to encourage for future competitiveness in the market.

## Research Methodology

An attempt is made to present the methodology which will be adopted for conducting the study. To gain a better understanding of relationship between I.T services impacts on service quality and customer satisfaction.

### 1. Primary Data

Primary data will be collected through observations, questionnaires and interviews with local customers of the banks and the data selected as a major primary data collection method, since the aim of the study is to understand the use of I.T in KYC to improve service quality and how it is related to customer satisfaction.

### 2. Secondary Data

Secondary data will be collected from the secondary sources such as publically available data, personal records, books, bulletins, journals and bank's literature available through programmed and reports of RBI, annual reports, etc.

### 3. Research Approach

Since the purpose is to given a better understanding of the relationship between the impact of use of I.T. in KYC service quality and customer satisfaction, qualitative research is found to be more appropriate for gaining the deeper and detailed understanding regarding the issues faced by the banking sector. This will helps us for ensuring the validity of qualitative data by seeing if we can reach similar conclusion from the qualitative approach else we can confirm the presence of the service quality in customer services.

### 4. Research Strategy

Research strategy applied in this study is survey which will allow the collection of large amount of data from a sizable population in a highly economic way. For the survey purpose questionnaire will be designed according to the objective developed based on research questions and frame.

## Sampling Methods

## Random Sampling

The sample methods used in proportion of random sampling of the total sample size 150-200 customers of each category of Investment Banking, Commercial Banking & Retail Banking respectively.

## Cluster Sampling

The sample methods used for sampling where two groups of customer of each category selected based on their daily use of IT and traditional Banking.

- Group of customers who prefer to use IT for banking
- Group of customer who prefer traditional way of banking

## Scope of the Study

This study is an attempt to point out effective use of I.T for KYC in the banking sector to improve the service quality and the customer satisfaction. This study will helps to understand the role of I.T in current KYC available details and refresh the data without reaching out to customers for improving customer satisfaction by delivering the different services to the customers. This thesis will give a vision for further study in I.T in KYC focusing on banking sector which will explain the impacts of I.T in service quality as well as on customer satisfaction and for future competitive situations.

## Advantages

The IT used for the Form of banking automation that connects the customer service desk in a bank office with the bank's customer's records in the back office. Banking automation refers to the system of operating the banking process by highly automatic means so that human intervention is reduces to a minimum also referred to as platform automation.

Linking the customer service desk with the customer records enables branch account officers to book new loan application directly with the bank's loan processing system, and also permits faster look-up of customer account information to answer questions on rates, new services and so on. Branch automation also speeds up the processing time in handling credit applications, because paperwork is reduced.

## Conclusion

The main aim of the study is to assess the service quality of banks and impact of use of I.T. for KYC in banking sector on customer satisfaction. The study also tried to test the relationship that exists between customer satisfaction and their loyalty. This indicates that improvement in the service quality should be conducted on the service quality dimension. Especially dimension of responsiveness and empathy. This study also found a positive relationship between all service quality dimension and customer satisfaction.

Accordingly, the results of this research confirmed the theory of literatures regarding the relationship between service quality dimension and customer satisfaction.

Although this research provides some significant insights into service quality in banking industry, there is still a chance to extend the findings to gain a more comprehensive understanding of the nature of banking services and use of IT practices to get the KYC details of the customers across banking verticals to improve the customer satisfaction towards bank.

## Chapter Plan

## Chapter 1
Introduction

## Chapter 2
Design of the study

- Objectives
- Hypothesis
- Methodology
- Data Collection
- Research Approach
- Research Strategy
- Sampling Method
- Scope of Study

## Chapter 3
Analysis and Interpretation of Study

## Chapter 4
Effective impact on Customer's Satisfaction

## Chapter 5
Analysis & interpretation of study.

## Chapter 6
Significance of Study

## Chapter 7
Conclusion
Bibliography
Questionnaire

**Harprakash Singh Nirmale** **Dr. Mohan S. Rode**

**Research Scholar** **Research Supervisor**